

## GOVERNMENT OF ANDHRA PRADESH

### ABSTRACT

Public Services – Treasuries and Accounts Department – Guntur District – Fraudulent drawal of Rs.3,35,714/- at Sub-Treasury, Guntur on fake PPOs - Departmental Proceedings against Sri K.Satya Murthy STO (Retd.)- Imposition of a punishment of withholding of 5% of his pension permanently – Orders – Issued.

---

### FINANCE (ADMN.I.VIG.) DEPARTMENT

**G.O.Rt.No. 4367**

**Dated:10-11-2008**

**Read the following:**

1. DTA Lr.No.K (1) 4/15240/01, dated 28-08-2004.
  2. DTA Lr.No.K (1) 4/15240/01 dt.19.10.2005 along with the Charge Memo.No.Rc.A1/1501/0102 of RJD Cuddapah and Statement of defence of Sri K.Satya Murthy STO (Retd)
  3. G.O.Rt.No.3895, Fin (Admn.I) Deptt, dt.29-10-05.
  4. DTA Lr.No.K (1) 4/15240/01,dt.13.10.06 along with Enquiry report of Sri D.Surendra, DD, DTO, Kakinada.
  5. Govt. Memo No.22047/16/A1/Admn.I.Vig./04,Dt:21. 2. 07.
  6. DTA Lr.No.K (1) 4/15240/01, dt.17-4-2007 along with defence statement of Sri K.Satya Murthy STO (Retd.)
  7. Govt. Memo No.22047/16/A1/Admn.I.Vig./04,Dt:21. 5. 07.
  8. DTA Lr.No.K (1) 4/15240/01, dated 21-6-2007 along with the explanation of Sri K.Satya Murthy STO (Retd.)
  9. Letter No.122047/16/A1/Admn.I.Vig/2004 dated 20-11-2007 addressed to Secretary, APPSC.
  10. Lr.No1726/RT-1/3/07 dated 4-02-2008 from the Secretary, APPSC
- oOo-

### ORDER:

In the reference 1<sup>st</sup> read above, the Director of Treasuries and Accounts has informed that a case of fraudulent drawal of Rs.3,35,714/- in the name of a fake pensioner Smt. B. Mangamma was detected at Sub-Treasury, Guntur in 8/2001. The Deputy Director, District Treasury, Guntur and Regional Joint Director of Treasuries and Accounts, Region-II, Kadapa have enquired into the matter and found that Sri K.Ramachandra Rao, Senior Accountant, who was dealing with the pension subject is the prime accused in this case. He, himself introduced Smt.B.Mangamma, the fake pensioner, to the Banks and got opened two pension accounts in her name in Andhra Bank, Sreenagar Colony, Guntur and State Bank of India, Arundalpet, Guntur vide Account No. P-340 and 4008 respectively. Another account in Indian Bank, Brodipet Guntur vide Account No.15071/P2 was opened in the name of the same pensioner and pensioner was introduced to the Bank by Sri K.Satya Murthy, STO, Sub-Treasury, Guntur. The three fraudulent drawls commenced in the months of 4/2000, 5/2000 and 7/2000 and continued upto 2001.

2. The following Treasury personnel who have approved the Pay Bank Lists, wherein the names of fake pensioner Smt. B. Mangamma was included in the pay bank lists during the period from 01-04-2000 to 30-06-2001 with fictitious PPO Numbers, were responsible for these drawals in the case of irregular payment of pension on the fake pensioner by name Smt. B. Mangamma.

1. Sri O.Mark, ATO (Retd)
2. Sri Sk.Ghan Saida, STO (Retd)
3. Sri K.Satya Murthy, STO (Retd.)
4. Sri M.A. Samad, STO
5. Sri P.Poornachandrarao, STO
6. Sri. K.Ramachandra Rao, SA

3. The then Regional Joint Director of Treasuries and Accounts, Kadapa initiated Departmental Proceedings against Sri K.Satya Murthy STO. The following article of charge framed against Sri K.Satya Murthy STO (Retd). On retirement from service, the

Director of Treasuries and Accounts has forwarded the case of Sri K.Satya Murthy, STO for taking further action as per the provisions under Rule 9 of A.P. Revised Pension Rules, 1980 vide reference 2<sup>nd</sup> read above.

**“Sri K.Satya Murthy, STO (u/s) District Treasury, Nellore, while functioning as Sub-Treasury Officer, Sub-Treasury, Guntur during the period from 2000-01 has included the name of Smt. B.Mangamma in the pay Bank List quoting fictitious PPO numbers under Andhra Bank, Srinagar colony, Guntur, SBI, Arudulepet, Guntur, India Bank, Brodipet Guntur duly introducing Smt.B.Mangamma to Indian Bank in his official capacity as Sub-Treasury Officer, Sub-Treasury, Guntur and enabled Smt B.Mangamma to draw an amount of Rs.3,35,714/- fraudulently and thus caused loss to Government”.**

4. In the reference 3<sup>rd</sup> read above, Government have appointed Sri D. Surrender, Deputy Director, District Treasury, Kakinada as Inquiry Authority to conduct regular inquiry into the charges levelled against the above Treasury personnel of Divisional Sub-Treasury, Guntur in connection with irregular payment of pension to Smt. B.Mangamma with fictitious PPO Numbers through three bank Branches and through pay bank list for the period from 4/2000 to 6/2001 as the explanation of the individual submitted vide reference 4<sup>th</sup> cited, was not satisfactory. The Inquiry Authority conducted inquiry and submitted his report vide reference 6<sup>th</sup> read above wherein he found that out of (6) Charged officers, the charges framed against the following four charged officers were proved substantially beyond any doubt.

1. Sri O.Mark, ATO (Retd)
2. Sri K.Satya Murthy, STO (Retd)
3. Sri M.A, Samad, STO
4. Sri. K.Ramachandra Rao, Senior Accountant

5. The Inquiry Authority in his report observed that after thorough verification of the records, replies furnished by the Charged officer in reply to the charge memo, deposition during the inquiry and keeping in view of the observations made by the Presenting Officer it is found that Sri K.Satya Murthy Sub-Treasury Officer (Retd), Sub-Treasury, Guntur District has introduced the name of Smt. B. Managamma as a pensioner to open a SB Account in India Bank, Brodipet Guntur and also signed the Pay Bank report in 3 Banks in violation of Rules/instructions issued by the Government from time to time which caused pecuniary loss to the Government to a tune of Rs.3,35,714/-. Had he taken care by observing the rules either at the time of introduction of fictitious pensioner to the Bank or while including the name of fictitious pensioner as a new pensioner in the pay bank report, the fraud would not have occurred at all. Hence, the Charge levelled against him is held proved. Accordingly, while furnishing a copy of the E.O. report, he was directed to explain as to why a suitable punishment should not be imposed under Rule 9 of A.P. Revised Pension Rules 1980 for the charge proved against him vide reference 5<sup>th</sup> read above.

6. In the reference 6<sup>th</sup> read above, the DTA has furnished the explanation of the Charged Officer. The Charged Officer in his explanation has requested to drop further action, as he is innocent in this fraudulent payment so that his pensionary benefits would be released early easing mental tension to him.

7. Government, after careful examination of the Articles of Charge framed against Sri K.Satya Murthy, STO (Retd) and his written statement of defence with reference to the findings of the Inquiring Authority, and his explanation found that Sri K.Satya Murthy, Sub-Treasury Officer (Retd.) has introduced the name of Smt. B. Managamma as a pensioner to open a SB Account in Indian Bank, Brodipet, Guntur and also signed on the pay Bank report in 3 Banks in violation of Rules/instructions issued by the Government from time to time which caused pecuniary loss to the Government to a tune of Rs.3,35,714/-. The charge framed against Sri K.Satya Murthy Sub-Treasury Officer (Retd), was held proved. Accordingly, Government have come to a provisional conclusion to impose a punishment of withholding of entire pensionary benefits

permanently under Rule 9 of A.P. Revised Pension Rules, 1980 and issued a final show cause notice to him directing him to submit his explanation vide reference 7<sup>th</sup> read above.

8. In the reference 8<sup>th</sup> read above, Sri K. Satya Murthy stated that he is not responsible for the loss of money to a tune of Rs.3,35,714/-. He had signed the pension list for two months only viz. July and September 2000 and he would be responsible for Rs.35,120/- and not for Rs.3,35,714/- . The Inquiry report clearly speaks of the remittance of this money of Rs.3, 35,714/- by Sri K. Ramachandra Rao, Senior Accountant who played pivotal and dubious role in introducing of the fake pensioner Smt.B.Mangamma and in including her name in three different bank lists. This fact has been clearly established during the inquiry. The entire money was credited by the person concerned. Hence, he has requested to reconsider the decision of doing away the entire benefits permanently and to drop further action against him, as there is no loss to Government exchequer, as he held responsible for a small amount of Rs.35,120/- and not for Rs.3,35,714/-.

9. Government, after careful examination of the Charge framed against Sri K. Satya Murthy STO (Retd) his written statement of defence, findings of the Enquiry Officer, his explanation on the findings of Enquiry Officer and other connected material evidence found that the contentions put forth by the Charged Officer is not convincing. There was clear lapse on the part of the Charged Officer and the Charge framed against him was proved substantially beyond any doubt in the inquiry. Therefore, Government have come to a provisional conclusion for imposition of a punishment of withholding of entire pensionary benefits permanently on Sri K. Satya Murthy, STO (Retd.) under Rule 9 of AP Revised Pension Rules, 1980 and referred the matter to the Andhra Pradesh Public Service Commission, Hyderabad for their concurrence vide reference 9<sup>th</sup> read above.

10. The Andhra Pradesh Public Service Commission, Hyderabad in reference 10<sup>th</sup> read above concurred with the proposal of the Government for imposition of a punishment of withholding of entire pensionary benefits permanently under Rule 9 of AP Revised Pension Rules, 1980.

11. Further, on representation of the Charged Officer, Government have re-examined the case with connected material evidence and felt that the penalty proposed to be imposed on the Charged Officer is disproportionate when compared to the gravity of the culpability. Therefore, Government have decided to impose a penalty of withholding of 5% of pension permanently on Sri K. Satya Murthy, STO (Retd.), keeping in view of his culpability.

12. Government, accordingly, hereby impose a punishment of withholding of 5% of pension permanently on Sri K. Satya Murthy STO (Retd.) under Rule 9 of A.P. Revised Pension Rules, 1980.

13. The Director of Treasuries and Accounts, A.P., Hyderabad shall take necessary further action in the matter accordingly.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**Dr. SAMEER SHARMA**  
**SECRETARY TO GOVERNMENT (FP)**

To

The individual through the Director of Treasuries & Accounts, A.P., Hyderabad.

The Director of Treasuries & Accounts, A.P., Hyderabad.

Copy to:

The Accountant General, A.P., Hyderabad.

The Secretary, Andhra Pradesh Public Service Commission, A.P., Hyderabad

The Vigilance Commission, A.P. Secretariat, Hyderabad..

The Deputy Director, District Treasury, Guntur District.

SF/SC

**// FORWARDED BY ORDER //**

**SECTION OFFICER**